

March 8, 2002

Mr. Ben Beardon
Director
Department of Health and Hospitals
1201 Capitol Access Road
P.O. Box 91030
Baton Rouge, Louisiana 70821-9030

Dear Mr. Beardon:

I am pleased to inform you that the Centers for Medicare and Medicaid Services is approving the State of Louisiana's request to expand the CommunityCARE Medicaid managed care program authorized under Section 1915(b)(1) of the Social Security Act (the Act). This approval provides for the waiver of the following Sections of Title XIX of the Act: Section 1902(a)(10)(B) (Comparability of Services), and Section 1902(a)(23) (Freedom of Choice).

The decision to approve this waiver is based upon evidence submitted to CMS showing that the State's waiver program is consistent with the purposes of the Medicaid program and has met the applicable statutory and regulatory requirements for access to care and quality of services. The State also has submitted evidence showing that the waiver will be a cost-effective means of providing medical/surgical services to Louisiana's Medicaid recipients.

Prior to the renewal of this waiver, the State will discuss with CMS their plans for demonstrating cost effectiveness. It is expected that these discussions will take place at least six months prior to the state's formal submission of the waiver renewal.

Under the authority of Federal regulations at 42 CFR Section 430.25(h)(2)(ii), this approval is for the two-year period effective March 1, 2002 to February 29, 2004.

I wish you success in the continued operation of this waiver program. If you have any questions regarding this waiver renewal, please contact Ms. Linda Territo in the Dallas Regional Office at (214) 767-6327.

Sincerely,

/s/

Mike Fiore
Director

Cc: L. Territo, DRO